

Through Transit Liabilities for Cargo and Third Party Insurance

INTRODUCTION

In the modern shipping industry, the role of ship operator has in very many respects developed into transport operator. Many of Skuld's members offer logistics services that include sea, road, rail or air transport. In the circumstance that a member, as opposed to ordinary port-to-port carriage, undertakes to transport cargo under a Through Transport B/L, where part of the transport is performed by other means of transport than the entered vessel, the member should discuss with Skuld whether the relevant P&I policy is extended to include through transport liability for cargo. Further, members are reminded that liability to third party persons and property arising out of through transport is outside the standard scope of cover.

WHAT IS COVERED?

Skuld's Through Transit Liabilities for Cargo and Third Party Insurance covers member's liability to cargo interests in respect of the cargo, and liability to third parties arising out of the carriage of cargo, subject to a through or combined B/L being issued for the carriage. The total sum insured is the total amount

payable under the relevant limitation conventions in respect of cargo, and the sum insured for third party persons and property is usually USD 5 million or any other sum member elects.

WHO CAN BE COVERED?

Any member of Skuld who has a full P&I entry in the Association can apply for Skuld's Through Transit Liabilities for Cargo and Third Party Insurance.

EXAMPLE

A member agrees to collect ten containers of electronic goods from a Japanese manufacturer and deliver them to a retailer's warehouse in Copenhagen. As a container is being delivered into the retailer's warehouse, it topples off its trailer and crushes a warehouseman and damages vehicle parking at the location. Even though the member may have subcontracted the road haulage, he may be held liable as the carrier. Skuld's Through Transit Liabilities for Cargo and Third Party Insurance would respond to both the liability for loss or and/or damage to the cargo and the liability for person and property.

